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92O/1E

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JUN 29 2000

28th June 2000

RE: Watson Bar Gold Project. (NTS 92O/1E)

Mr. Wayne Roberts
Western Prospectors Group Ltd.
1407 - 675 West Hastings Street
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Tel: 604-687-4951 Fax: 604-687-4991

Dear Sir:

As a further to our telephone conversation enclosed please find:

- Summary Report on the Watson Bar Gold Property - March 2000.

- Epithermal Mineralization on the Watson Bar Property (92/1E), Clinton Mining Division, Southern B.C. by M.S. Cathro, R.M. Durfeld, G.E. Ray. *(Reproduced from Geological Fieldwork 1997, Paper 1998-1.)*

The Watson Bar Property is a 'Low Sulphidation Epithermal Gold' prospect. The property enocmpasses a large, four kilometre long, northwesterly trending alteration zone. Recent work has focused on the evaluation of significant gold mineralization in Zones I and V. Modeling suggests that these zones may represent shallow dipping 'conduit' zones that are offshoots of a large tonnage, bonanza type gold deposit located at depth in the area of the Baseline Fault.

The enclosed reports give an overview of the previous work in the property. Should you wish to review additional detail results for the geochemical sampling (soil, rock, silt and core), geological mapping and/or diamond drilling we can make this data available to you.

The property is readily accessible by 69 kilometres of all-weather logging road from Lillooet, B.C. At the property there is a trailer camp and core storage facility. We would be happy to arrange a tour for you. I look forward to your comments.

Sincerely,

R.M.(Rudi) Durfeld,B.Sc.,P.Geo.

Enclosures: 3

THE WATSON BAR LOW SULPHIDATION EPITHERMAL GOLD PROSPECT
Clinton Mining Division (NTS 92/01E), British Columbia

By: R.M.(Rudi) Durfeld

The Watson Bar Gold property (2775 hectares) is located in the Clinton Mining Division, central British Columbia, sixty kilometres north of Lillooet at an average elevation of 1200 metres. The West Pavilion all-weather forest access road bisects the property.

The property is underlain by Cretaceous Age sedimentary and voleanic rocks that are divisible into the Early Cretaceous Age Jackass Mountain Group sedimentary rocks and the Mid Cretaceous Age Spences Bridge Group volcanic rocks. In the property area the northwesterly trending Slok Creek Fault juxtaposes the Jackass Mountain Group to the southwest and the Spences Bridge Group to the northeast. The Jackass Mountain Group rocks are locally intruded by Upper Cretaceous to Lower Tertiary Age dykes, sills and small stocks of granodiorite. The recently mapped Baseline Fault, 1.5 kilometres south of and parallel to the Slok Creek Fault played a key role in localizing the 1.5 long area of silicification and kaolinite alteration known as Zones I and II. The Watson Bar property hosts a low sulphidation gold system.

Relogging of core from the high-grade gold mineralization in Zone V determined that the transition from overlying sandstone dominated lithologies to underlying carbonaceous argillite and siltstone lithologies is transitional and stratigraphic and not a thrust fault as previously believed. Gold vein mineralization occurs in shear and fault zones parallel to carbonaceous argillite units near this transitional contact. The shear-fault zones appear to have little movement and are likely minor or conjugate faults related to the Baseline and Slok Creek faults. Drilling since 1989 has outlined a zone up to 35 metres thick which contains a stacked series of auriferous quartz-sulphide (pyrite, arsenopyrite, sphalerite, galena, chalcopyrite) veins. An independent 'Reserve Evaluation of Zone V' by John Casey using a cut-off grade of 0.20 oz/ton gold gave a geological reserve estimate of 139,189 tons grading 0.418 oz/ton gold.

Alteration mapping, using the PIMA-II short-wave infrared spectrometer, of core and surface samples from several of the known epithermal alteration zones show, with the exception of Zone V, that kaolinite is the dominant alteration mineral not sericite as previously identified. This suggests that zones I, II and IV are high level, low temperature parts of the epithermal system. Illite was identified as the dominant alteration in the Zone V vein zone suggesting a slightly higher temperature for the emplacement of the Zone V vein mineralization. The PIMA analyses did not identify alunite which is consistent with the low sulphidation modelling.

Two priority targets for gold deposits remain on the Watson Bar property: the untested down plunge extension of the high-grade Zone V mineralization, and a large tonnage, bonanza-type gold deposit at depth in Zone II where the high-grade gold mineralization of Zone V is projected to intersect Zone II. As the baseline fault is a dominant structure that provided a plumbing system for large volumes of hydrothermal fluids, it is the likely location for a large tonnage gold deposit.

Testing of the down plunge extension of Zone V will require fences of closely spaced drill holes. Because the mineralization dips into the hill, holes will be long and it may be cost effective to drive an adit to provide drill stations. Evaluation of Zone II for bonanza-type gold mineralization will require several angle holes placed to intersect Zone II where the plunge extension of Zone V is projected to intersect Zone II.